

Themes from Written Comments and August 9, 2007, Workshop

Any New Structure Should:

- Build from the current structure's strengths
- Maintain the benefits of performance-based compensation (including clear goals, performance targeting, well-designed incentives)
- Provide balanced system of incentives and risks to efficiency provider
- Provide regulatory flexibility
- Provide transparency and accountability for delivering services at least cost
- Provide for the efficient delivery of energy efficiency services
- Be flexible enough to allow for possible fundamental changes in efficiency policies and programs (in response to market transformation or policy decisions)
- Be flexible enough to allow for innovation and ideas from the marketplace to be introduced, including possible new delivery models
- Provide for timely and effective evaluation
- Provide the EEU with access to capital through long-term bonding or other financing tools
- Enable the EEU to leverage financing provided by other institutions, including acting as bridge between customer and lender
- Enable the EEU to meet needs for statewide long-term electric planning
- Address implementation challenges of three-year contracts
- Enable the EEU to participate effectively in the regional forward capacity market
- Allow the EEU to participate in Board proceedings and in the legislature in a manner similar to distribution utilities
- Continue the City of Burlington Electric Department's role in delivering energy efficiency

When Evaluating Structural Models:

- Use criteria set forth in 30 V.S.A. § 209(e) as a framework for evaluating changes since the EEU was created and designing a new structure
- Consider various regulation models, including alternative regulation designs, in determining how to monitor, oversee, and regulate the EEU

Specific Structural Recommendations

- Do not grant an exclusive franchise
- If a franchise is granted, extend most features of traditional regulatory oversight through Title 30 regulation to the EEU
- Continue to set budgets every three years

Specific Tasks for EEU:

- Foster development of a market for energy services
- Increase work on development of standards, codes, tax incentives, effective information and education campaigns
- Encourage market transformation through (1) education and empowerment of consumers and upstream service providers, (2) the identification of appropriate efficiency standards

and appropriate complements, and (3) reliance upon and encouragement of the development of competitive service providers

- Perform additional planning tasks, including: assisting Vermont System Planning Committee ("VSPC") with long-term forecasts of energy savings from EEU programs, participating in VSPC meetings, and providing responses to the VSPC in the context of Preliminary Non-Transmission Alternative studies
- Continue the annual Better Buildings by Design Conference